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MASTERS DEGREE IN MANAGEMENT FROM THE NOVA – SCHOOL OF BUSINESS AND
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**LAUNCH PLAN FOR A NEW MAGAZINE
for Pangea Lda. Company**

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ABSTRACT

The purpose of this paper is to present a proposal of marketing plan for Pangea, a startup company that is currently seeking to develop a magazine for young women: BeYou. The project aims to study the major marketing trends in the sector, as well as to identify the business opportunity in the market in order to implement the magazine. Supported by qualitative interviews focused on the needs and preferences of young women, insights about the customers and market were acquired. By identifying an opportunity on the magazines field suited for leisure times, a plan was developed to define the appropriate positioning and marketing strategy.

Keywords: BeYou, Online Magazine, Targeted News, Women's magazine

EXECUTIVE SUMMARY

Pangea appeared in Portugal in 2012, with MyStar brand. MyStar is an online magazine targeted for young girls between 13 and 18 years old with contents that fit their leisure interests. Early in 2013 the company decided to launch a new product: BeYou magazine, launched through an online platform and a printed version for girls between 18 and 24 years old. Portugal is among the European countries, as the 4th, being more hours spent online, with users between 15 and 24 years old the ones spending more hours. This access is mainly done through laptops and tablets, although mobile access is rapidly conquering users. Regarding the press media in Portugal focused on women magazines, there are several brands available with both online and printed versions, although the online version represents a new trend. A gap in the market was found regarding women magazines, that showed that girls aged between 18 and 24 do not have magazines that cater to their specific interests. Thus, it is suggested that BeYou should cover Arts, Fashion, Cooking, Health & Beauty and Travelling which, according to in-depth interviews, proved to be the most sought. The marketing mix strategy developed for BeYou's implementation considers the challenge that is to amaze the customers by creating a relationship with them and keeping them satisfied. Therefore, from the early stages of the product promotion, teaser ads and public events are recommended to capture the target's attention. Considering the dynamic forces that act on any market, specially an ever evolving one like any media related market, all scenarios must be taken into account, and a contingency plan must be drawn up so as to suggest measure for any potential least desirable outcomes that may appear. Risks of this project were identified and so strategies to overcome them. In addition, in order to ease the control of the plan execution, KPI's were defined for different stages of the process.

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LITERATURE REVIEW

Industry Overview

Social interactions are, like people, the product of an evolutionary process. In the 1800s all communication required face-to-face contact, if one wants to be informed, one would have to be with the right people, since the information and news did not come to meet him. The world has been witnessing an amazing evolution from the unquestionable importance of magazines and newspapers to a phase in which the digital devices are the main source of information and communication, through the Internet. Nowadays, more than 200 years later, the way people get informed suffered an extraordinary transformation, with Social Networks enabling everybody to be informed and connected without that much effort as it was necessary erstwhile (Baekdal, 2009).

The digital is part of everyone's life and it will represent the "driver of future operating models, consumer relationships, and revenue growth" (PWC, 2011). During the next five years it is believed that digital will account for 58.9% of the total industry revenues (PWC, 2011) and one believes that an intense shift toward digital consumption in what concerns newspapers and magazines will occur. As stated above, information is reaching people at a faster pace and in an ever-increasing array of devices. Particularly for the younger people, the existence of smart mobile devices is a determinant factor for looking up and accessing information: smartphones, tablets or other electronic readers are part of the majority of these people's life. Another factor that fosters the usage of these electronic devices is the reality of mobile apps that promote the addiction for smartphones. It is important to highlight that Social Networks and the mobile apps are the reason why those mobile apps present such a tremendous growth (PWC, 2011).

Customized and Targeted Information

Meyvis & Janiszewski (2002) defend that if a product presents irrelevant information it automatically ends up weakening the products' benefits and quality perception. Additionally, it is known that, more and more, customers are looking for subjects that fit their needs and interests. The combination of mass customization techniques gathered with customized marketing, leads to a possible approach toward the client with the nature of "one-to-one" communication and personalized service in the digital field. This kind of strategy requires a deep study about customers in order to know them in terms of preferences, tastes and needs about different topics. Serving this customized service to clients results in additional challenges such as controlling the expectations they create. Another added challenge is dealing with different pricing offerings that many times are also customized (Wind & Rangaswamy, 2000).

Marketing in Social Media

"Social media marketing (SMM) is a form of internet marketing which seeks to achieve branding and marketing communication goals through the participation in various social media networks" (Rognerud, 2008). Facebook is an example one of the most powerful Social Media that was implemented in the global market. More than an online platform, Facebook became a way of connecting to customers and creating a business-to-customer relationship. Now, it is easier to know what they think, want and expect about the different brands and the feedback given is a crucial positive outcome of this Social Network (Rognerud, 2012). Moreover, Facebook enables a company to Advertise for a specific target, leverage relationships and benefit from word of mouth marketing (Stewart, 2011).

MARKET ENVIRONMENT

Internal Audit

Company

Pangea is the name of a recent company in the Portuguese market, in the media sector, which has been focusing its core business on magazines. The company was founded in 2012, supported by the Portuguese business incubation center, Startup Lisboa. Pangea initiated its business with the MyStar brand in 2012, an online magazine platform targeted to Portuguese teenagers aged between 13 and 18 (**App. 1**: MyStar's Website – Homepage). When MyStar was introduced to the market, it was considered by the company an appropriate investment since there was low competition on this business area regarding this particular target. Currently counting with more than 13,000 followers, the portfolio of MyStar includes an online magazine with the main focus on international musicians' and actors news, contests, TV, astrology and contents about fashion, beauty, nutrition and psychology. The company is currently expanding the its portfolio (**App. 2**: Pangea Products' Portfolio). Pangea is working on developing MyStar MEO CANAL and MyStar Brazil, the latter setting the beginning of the brand's internationalization process through a similar online magazine platform in such market. At the same time, Pangea is working on a new brand concept for young women aged between 18 and 22, being the central idea the creation of an online magazine that aggregates the main topics of preference and appeal to this target segment.

Collaborators and Partnerships

The company counts with 13 collaborators working in different areas from image and design coordination department to editorial coordination one, among others (**App. 3**: Pangea's Collaborators). Pangea has been able to establish partnerships during the

running of MyStar. It currently counts with Sapo.pt, MTV, Universal Music, Zon, FOX, Disney and Nickelodeon (**App. 4:** Description of Pangea Partnerships). As a final point, Curiosidade Digital plays the most important role once it is the web developer of the MyStar's online platform.

External Audit

Context

INTERNET

A profound understanding of the Portuguese and International online markets is crucial in order to have a better understanding on how they have been growing and how they behave nowadays. Therefore, a market research about internet and press media was conducted. When compared with the rest of the European Countries, Portugal rates on the 4th position regarding the number of hours spent on internet per week (**App. 5:** Number of Hours Spent Online, in European Countries), with users between 15 and 24 years old being the ones with more hours spent online per day (**App 6:** Periods of Time Spent Online, per Age, in Portugal). Internet reaches around 60% of the Portuguese population and a general profile of those users can be drawn: 55% are male users, 50% of internet users are aged between 18-34 and 78% of the reached population are regular internet users. Regarding the location where people access internet, personal homes remain as the most used place, followed by work and schools, colleges or universities (**App 7:** Local of Internet Access, in Portugal). Furthermore, the most used devices for accessing internet are laptops and tablets, being the most used gadgets (77%). Nevertheless, mobile phones and smartphones are gaining importance and space in the Portuguese market, being already the choice of 21% of the users. Furthermore, in 2010, Morgan Stanley stated that “by 2015, the number of mobile internet users will surpass

PC users” an announcement that translates into a higher expectation regarding this trend. Another analyzed topic was the services used by Portuguese people when looking for different subjects during their internet navigability. When searching information, online news and blogs are the most used sources, but when looking for entertainment, social networks and online music are the most preferred (**App 8:** Online Services used per Subject, in Portugal).

PRESS MEDIA

In Portugal, the press media reaches 67,3%¹ of audience, 53,4% of this value coming from newspapers and the remaining audience from magazines. Nowadays, the publishing supports of those editions are not only printed but there are also available online versions, being this a very recent trend on this industry (**App. 9:** Publishing Supports of Magazines, in Portugal). On the subject of women magazines in Portugal, Activa is the one with higher circulation in the Portuguese Market, in opposition to Vogue that presents the lower levels (**App. 10:** Women Magazines’ Circulation, in Portugal). When combining the two subjects on an analysis - internet and press media - an interesting scenario arises. Nowadays, the society is on a stage in terms of Social Networks development in which everyone is connected. This situation has favored the creation of the so-called Social News phase that is a result of news being created, published and shared by everyone. A new trend that is gaining shape online is the Targeted information, in which information contents move away from a mass-market audience and focus in tailoring and customizing contents to target individuals. (**App. 11:** Media’s Historic Trends)

Customers

¹ Source: Bareme Imprensa 2012 – Grupo Marktest

With the main purpose of gaining a deep knowledge about customers' tastes and needs regarding magazines and internet habits, qualitative in-depth interviews were conducted (**App. 12:** In Depth Interview form). In person interviews, with the duration of 30 minutes each, were conducted to 14 women aged between 18 and 24, being academic and non-academic students (**App. 13:** Data Collected from In Depth Interviews). Firstly, the interview focused its approach on magazines/ newspapers habits of consumption. It was possible to conclude that there is not seasonality for magazines purchasing, since these consumers buy them in different occasions. When asked about the most interesting topics on a magazine for women, it was concluded that Fashion, Travelling, Arts, Health & Beauty and Cooking are the more attractive subjects that would make them read a magazine. In what concerns the less appealing topics for these customers, Sports, Celebrities, Sex, TV and Children represent the top five. Still on the subject of Magazines habits, it is considered that the printed version of magazines still plays an important role on the magazines preference, due to the pleasure of touch and peruse the magazines, and the willingness to pay for them ranges an interval from 1.25€ to 5€. The second part of the interview was focused on obtaining some insights regarding internet habits of those customers. The greater part of the interviewed people stated that they spend two to four hours online per day during their free time. The devices used to access internet are mostly personal laptops and smartphones, with personal laptops presenting the higher time spent. As a final point, the chosen websites for internet navigation were also surveyed, with Facebook and e-mail accounts presenting the most visited web pages.

Segmentation of the customers

Based on the different customer habits regarding different variables, both demographic and behavioral, a segmentation map was developed (**App. 14:** Segmentation Map). The segmentation map takes into account the previously defined demographic variables (age and gender), since the new magazine will target women between 18 and 24 years old (289.042 people, in Portugal). Regarding the behavioral variables, the magazine reading frequency and leisure time spent online are the ones analyzed in the map. **Segment A** is constituted by girls who spend low periods of their free time online, although being used to reading magazines. **Segment B** comprises young women who, in general terms, already have a job and for that reason do not spend much of their free time online, as well as present a weak connection with magazines. In what concerns **Segment C**, it refers to people that spend long periods of time online and are moderately interested in reading magazines. Finally, **Segment D** is representing the women who spend high amounts of time online, although they have no emotional attachment to magazines.

Competition

The competition Pangea will face must be analyzed in the light of two specific characteristics: content and format on magazines. In order to better understand this market competition, three types of players will be described: 1. Similar Content and Format magazines; 2. Similar Content magazines; 3. Similar Format magazines. Firstly, starting with the analysis of the magazines with the same type of content and format, there are Elle, Vogue, Lux Woman and Activa. These five magazines are targeted for women and are available both on a printed version and online format. Even though they do not cover the same subjects, the magazine concept is the same and they do present some topics in common (**App. 15:** Women Magazines' Topics covered, in Portugal). Despite, targeting an older group of customers, the segments A and C are served by

those magazines (**App. 16:** Women Magazines Target Market, in Portugal). On a second group of players are the ones who will compete in terms of content, such as Cosmopolitan, Happy Woman, Máxima. These magazines cover themes that are of general appeal to the feminine public, although they only exist in the printed version format they are able to entertain the segment A. At last, there is a type of competitors that, despite the fact that they do not serve the same magazine concept, are available online on the same format Pangea plans to implement. This is the case of magazines as Ípsilon, Life&Style and Fugas, that are currently serving segment D. These are online magazines with content that targets a general public, not only a female one. As a conclusion, these three groups constitute different levels of competition spheres, depending on its format and content.

Market Potential

In order to explore and understand if there is business potential in this area, a research on the topics about future trends was performed. The digital circulation of magazines began to emerge in the global market in 2010, due to the appearance of new tablets as platforms for magazines and its impact has been growing ever since. It is expected a continuous and pronounced growth on this way (**App. 17:** Digital Press Media Evolution, in the Global Market). This digital trend, in the media, is sustained by high advertising investments on these platforms. As it was possible to conclude, when studying the competition and customers, the Portuguese market is already familiarized with the trend of having an online version for magazines. However, the existent magazines are mainly targeted for women aged between 25 and 45. In fact, there are few magazines that also target young women. Furthermore, those magazines that target 18 year old people, cover at the same time the 35 year old ones, therefore losing focus

and the ability to satisfy these different age segments. In fact, the needs and tastes of 18 year old girls are largely different from the ones of the 35 year old. Moreover, from the in-depth interviews it was concluded that almost all women magazines available in the Portuguese market present subjects that do not interest this younger target in any way. Based on the evidence taken from the Portuguese market environment as well as the customers' preferences, a clear market gap was identified. In the Portuguese market, a women magazine targeted for people between 18 and 24 does not exist. In the past, there was a magazine with the brand name of "Ragazza" that was widely accepted by the customers, but the magazine ceased its production and no substitute took its place so far. This market gap presents a business opportunity, which requires some adjustments when compared to Ragazza magazine performance. As said, this industry is in a dynamic evolutionary process since internet and digital sources cannot be ignored and are fundamental for the success of the strategy of any magazine. In this context, it is possible to identify a clear opportunity for Pangea: to launch a magazine in the Portuguese market for women aged between 18 and 24. The existence of this magazine also makes sense in the way that the company is already working in the magazine industry for a younger target, with the MyStar online magazine. Therefore, the new magazine must be implemented and be perceived as continuity for MyStar current customers. More specifically, for customers of 16/17 years old, MyStar is starting not being enough to satisfy their needs due to their changing tastes and preferences.

MARKET STRATEGY - TARGETING

The most appropriate segment for the magazine, that Pangea will launch, to target is the one constituted by people who present long leisure periods spent online, as well as are moderately interested in reading magazines (**Segment C**). Segment A and B will not be

the segments targeted since, for the success of the business substantial levels of internet usage are vital for the development of the project. Furthermore, it is not expected to convert Segment D into customers, because even though they spend several hours online, the reading magazines habits are not intrinsic. In Portugal, the amount of people covered under the Segment C profile is 67.923².

SWOT ANALYSIS OF NEW MAGAZINE

STRENGTHS

- Partnerships established
- Pioneer Service
- Knowledge about online magazines market
- Knowledge about target preferences

WEAKNESSES

- Lack of Pangea awareness
- Lack of resources

OPPORTUNITIES

- Digital trend
- Customized information
- Online Magazine for young women

THREATS

- Imitation of product by a stronger player
- Fast Changing Consumer Preferences
- Financial crisis limiting advertising investment

MARKETING MIX

Product

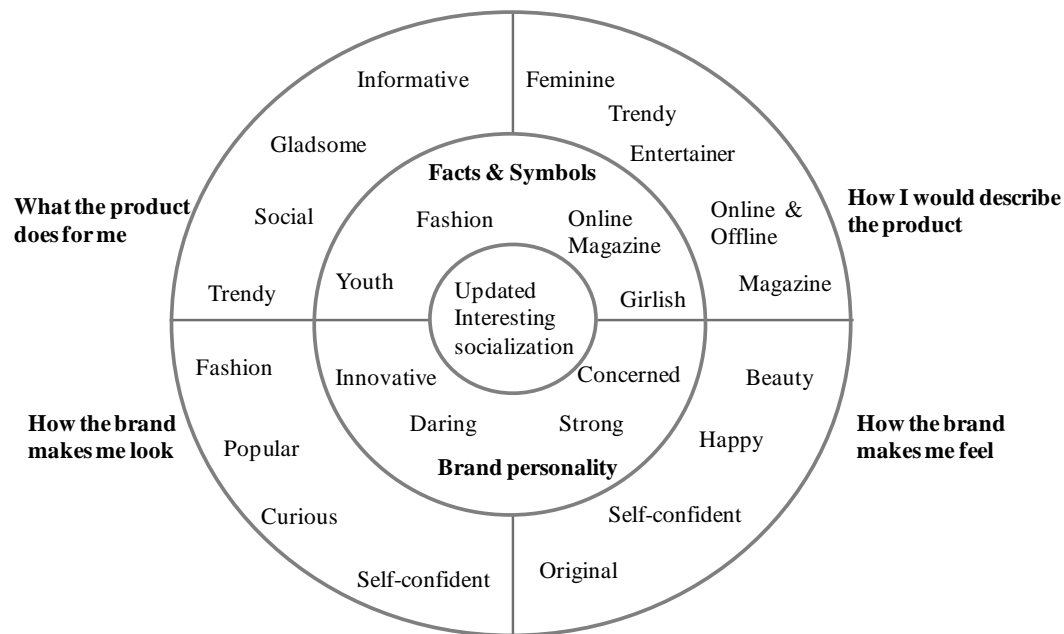
The Brand

In line with what Pangea has done with the Teen Magazine, MyStar is a very illustrative brand name of the magazine content, the name chosen for the new product will also

² Source: INE, Instituto Nacional de Estatística

follow this trend. For the new product a strong name was elected: **BeYou**. This brand name will suggest a strong reference and appeal for people to be as they want, to dream, to explore and to be brave. A Brand Essence Wheel was developed in order to define which the emotional benefits are and attributes that the Brand desires to pass for the customers.

Brand Essence Wheel – BeYou



Based on the conclusions taken from the analysis of customers, BeYou will focus its content on the subjects that are more appreciated. Therefore Fashion, Cooking, Health & Beauty, Travelling and Arts (covering mainly Music, Cinema and Theatre) are the focus of the information provided by BeYou.

Due to the evident importance of internet and its trend of predominance in the market on the habits and behaviors of the defined target for this project, an online magazine platform will be created as being the Pangea main source of news spreading for BeYou brand. As it was possible to conclude, for this target, a printed magazine stills to be

important to exist when talking about women magazines, therefore this format will also exist for BeYou.

BeYou Mission Statement

“BeYou aims to be for its Readers a symbol of Trendiness, Youth and Relaxation. By providing useful, credible and relevant information about the quotidian of a young woman. BeYou desires to be a ‘call to action’ for its customers.”

BeYou Positioning

“To young curious women, with strong magazines reading and internet consumption habits, BeYou stands out due to its irreverent tone, being the ultimate source of trendiness because of its worldwide inspirations.”

After having the product concept developed, product test interviews, with girls that fit the target, were performed (**App. 18:** Board Concept used on Product Test). Two meetings were organized, each one with 4 girls, in order to create the appropriate environment for brainstorm and benchmarking to discuss this topic. Being the objective to understand how would they appreciate the magazine to work as well as, what would be the interesting approaches to each subject.

Online/Digital Magazine

On BeYou online, each day of the week will have news about a different topic. Therefore, on Mondays Fashion is the central theme, Tuesdays is the day of Health & Beauty, Wednesdays is for Cooking, Thursdays is the Arts’ day and on Fridays the topic is Travelling. The idea of defining each day of the week for a predetermined topic is to engage the customers and try to create a routine involving the magazine and customers. The BeYou followers will know what they can count with on each day. It does not mean

that for instance, on Fridays it will not be published an article about Fashion, but customers will have assured on each theme's days a set of pre-defined articles.

Articles covered weekly, per subjects

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
				
<ul style="list-style-type: none"> - New fashion trends - DUPE (fashion low cost) - Polyvore outfits 	<ul style="list-style-type: none"> - Myths and Facts - Q&A - Gym Exercises Low cost 	<ul style="list-style-type: none"> - Workshops - Videos of food recipies - Low caloric versions of known recipies 	<ul style="list-style-type: none"> - Events' Agenda per city - Cinema review 	<ul style="list-style-type: none"> - Economic Itinerary (Portugal and Europe) - Tips & Guidelines for Travells

The BeYou's website will have a general homepage in which the information will be available for every visitor. In order to serve a more customized service, which is an issue valued by the target, a personal area will exist as well. This personal area will enable visitors to customize the relationship they want to develop with BeYou. The clients will have the possibility of highlighting the subjects that they wish to be notified with, an agenda with their favorite events that are covered in the magazine, as well as a customized organization of the website in accordance with their preferences. Still on a digital format, BeYou will be available as an application for smartphones/tablets. In this format the content will be very similar to the website and the personal area will also exist. Both the access to the website and application will be free of charge.

Printed Magazine

BeYou Printed Magazine will represent a complementary product of the website. It is important to take into consideration the situations in which clients might be interested in reading BeYou. Being this a leisure magazine, it is important to recognize that while one is offline, the reading of BeYou becomes appropriate. For instance, while travelling, being on the beach or even a park, these are some situations in which one usually is not

online and reading a magazine is appealing. The printed version of BeYou Magazine aims to be a way of giving to the customers the opportunity to know the concept, news and contents it provides. This version will be published at the end of each month. (**App. 19:** Calendar of BeYou Printed Version). In what concerns the content of this format, it will be constituted mainly by images and the content of those editions will work as a “best of” and relevant for the following month. It is important to state that the printed version will still present at the same time an approach that pushes to the website visits. By reading the printed the magazine clients will get an enriching experience in terms of information, but the visit of website will complete the BeYou experience.

Price

The pricing strategy defined for the BeYou magazine implementation must be defined separately for the online/digital magazine and the magazine on paper. *Online/ Digital Pricing Strategy:* the stream of income on the digital magazine is based on advertisement and sponsorship of events/brands, since the access both for the BeYou website and for the App will be free of charges. On a first stage, the advertisement on the website, will be based on a **subscription pricing model**, in which the client pays a fixed price for a pre-defined period of time, that must be agreed before. The reason behind this strategy relies on the fact that the response of customers to BeYou is not a known factor and the advertiser is also risking. Therefore, by using this model, it will be fairer both for BeYou and the advertiser if the price is established in advance. It is expected that this model lasts for two or three months (the maximum) (**App. 20:** Subscription Pricing Table, on BeYou online). On a second phase, the company will start to understand and gain knowledge about how the customers respond, and will be able to define a pattern on is the client’s profile. Despite the fact that the company will

wait two to three months to assess the market reaction, a price table was already developed taking into account the market prices currently played, being expected adjustments later. (**App. 21:** CPM Pricing Table, on BeYou online). *On Paper Pricing Strategy:* the source of revenues, in this case, comes from magazines retailing and advertising on them. In what concerns the price of BeYou, it will be 26% below the average price of its main competitors (**App. 22:** Women Magazines Prices, in Portugal), resulting on 2,20€ per magazine. The reason for presenting this price is twofold. The first motivation relies on the fact that, even though is the lowest price of magazines, considering the competition, it is not a value that will result low quality perception of the product. The other justification, for the inferior price, is that, as described in the product's part, the content of the magazine will not be so extensive as on the other magazines, given that BeYou magazine will present the articles describing them in detail but pushing people to visit the website. On the subject of the advertising on the magazine, a table with the discriminated prices for each section of the magazine was developed (**App. 23:** Advertising Pricing Table, on BeYou's printed version). Those prices were settled based and inspired on one of BeYou main competitors, Activa magazine (**App. 24:** Advertising Pricing Table, on Activa's printed version). It is important to keep in mind that Activa magazine is an established and very popular magazine in the market, therefore the prices recommended for BeYou to play are not at the same level, being more modest and appropriated.

Place

In relation to the online/digital version of BeYou, it will have a website, which represents the core business of the brand. An app for smartphones will also be available on PlayStore (for Android system) and AppStore (for Apple system). Regarding the

BeYou Magazine, it will be available for purchase in the most common places for magazines retailing. Therefore “*papelarias*”, kiosks and Portuguese Airports will be the main places in which BeYou will be available to the public.

Promotion

The BeYou promotion strategy requires a three-stages analysis: pre-launch, launch and post-launch. The first and the second stages are the ones that require special attention for being the most critical points of the business. The method used for defining the promotion budget by Pangea is the one focused on objective-and-task, since the promotion strategy will be done with the intention of achieving pre-defined goals.

Pre-Launch

On the month preceding the magazine launch, the strategy that BeYou may use to capture the attention and interest of the customers is a **Teaser Ad**. It would be possible to do it with a low investment cost on Facebook, through the Advertising that this social media enables to make, in an effective way. Another source that would help to support this strategy is Fox Channel. Pangea can take advantage of the partnership already established with MyStar magazine and use Fox Channel as a way of spreading the Teaser Ad. This will be possible by having BeYou commitment to issue articles covering Fox Channel’s shows on its Arts section, as well as guaranteeing advertising space on the magazine.

Launch

On the months that follow the launch, BeYou will invest its promotion with the objective of raising the awareness of the brand as well as developing a strong reputation among customers. One of the best strategies to achieve this goal is through **Public Relations**, with the benefits of building good relations and obtaining favorable

publicity, at a lower cost than advertising (being budget control a determinant factor to Pangea). Another concern of the promotion strategy is to ensure it is favorable in terms of customer relationship management and that also foster triumphant relational exchanges with companies. Press relations will be the main focus during the months between August and November, since it is important to attract attention to BeYou. During the month of August, it is suggested that BeYou launches a campaign in which it would be present in the most attended beaches, from the North to the South of Portugal, promoting the brand and the magazine. Another recommended action for BeYou is to be associated with a group of Bars/ Discos in Portugal, that are mostly focused on people that fit the BeYou target. It is expected that after two months, by September or October, BeYou starts to be a brand name known by our target. For that reason, BeYou must be aware of all the events that may occur, on the most diversified areas, sponsoring and publishing articles about them on its magazine. An important factor that must be taken into account is that during the winter more indoor activities are performed, therefore a different strategy is considered. Given the diversity of BeYou subjects, the company should look for sponsorships on different companies of different fields. For instance, regarding the Cooking topic, BeYou can work in partnership with “Vaqueiro” by promoting their recipes and workshops; on the topic of Arts, partnerships with Theaters in Portugal to promote their shows and on the Health & Beauty matter, BeYou could have an partnership with a Gymnasium that would be responsible for the suggested column about “Questions and Answers”. Not least important is the presence of BeYou on Social Networks - Facebook and Twitter – that will be part of the strategy from the very beginning of promotion, as already described (Teaser Ad). On these

platforms, BeYou will foster the communication among users and present them all the news that exist on the website, pushing them to visit the online magazine.

Post-Launch

The second stage of the promotion covers the years that follow the launch of BeYou. With the mission of following the same concept and essence of the brand, the magazine will still be exploring the benefits of the social networks and creating relationships with the suitable companies to better serve the customers' needs.

A timeline with the detailed strategy for the first 12 months was developed:

			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Raise Awareness & Brand Reputation	TEASER	Facebook												
		Fox												
	PR	Beaches												
		Night Parties												
		Sponsorships												
		Gymnasium												
		Theaters												
		Social Networks												

BUDGET

In order to estimate the financial income statement of BeYou, a Profit & Loss Table was created. The P&L was developed under several assumptions that were considered appropriated for this business (**App. 25:** Financial Assumptions). The Initial investment for this project is 50.000€, in order to cover the expenses that are expected to happen. During the first year the profits are expected to be lower due to the initial investment required, although from the 2nd year onwards superior values are estimated.

Income Statement for BeYou Magazine – Profit & Loss

	<i>1st Year</i>	<i>2nd Year</i>	<i>3rd Year</i>	<i>4th Year</i>	<i>5th Year</i>
Income					
Sales	54.832,20 €	60.318,50 €	66.099,43 €	73.147,90 €	82.578,82 €
magazine sales	13.200,00 €	16.500,00 €	19.800,00 €	24.200,00 €	30.800,00 €
online ads	2.662 €	2.900 €	3.335 €	3.835 €	4.411 €
magazine ads	38.970,00 €	40.918,50 €	42.964,43 €	45.112,65 €	47.368,28 €
COGS (magazine)	14.818,00 €	16.424,00 €	18.030,00 €	19.636,00 €	21.242,00 €
print	2.640,00 €	3.520,00 €	4.400,00 €	5.280,00 €	6.160,00 €
distribution	2.178,00 €	2.904,00 €	3.630,00 €	4.356,00 €	5.082,00 €
Online Platform	10.000,00 €	10.000,00 €	10.000,00 €	10.000,00 €	10.000,00 €
Gross Margin	40.014,20 €	43.894,50 €	48.069,43 €	53.511,90 €	61.336,82 €
Gross Margin %	73%	73%	73%	73%	74%
Expenses					
Internet Advertising	600,00 €	600,00 €	600,00 €	600,00 €	600,00 €
Summer Launch Campaign	6.000,00 €	-	-	-	-
Public Relations	10.000,00 €	12.000,00 €	12.000,00 €	12.000,00 €	12.000,00 €
Total Operating Expenses	16.600,00 €	12.600,00 €	12.600,00 €	12.600,00 €	12.600,00 €
EBITDA	23.414,20 €	31.294,50 €	35.469,43 €	40.911,90 €	48.736,82 €

CONTROLS

With the purpose of controlling in an effective way the business of BeYou implementation, milestones were defined, taking into account what is expected to occur from the moment the magazine is launched. Both pessimistic and optimistic scenarios were established, as this will enable the company to identify the possible non expected phenomena and, if necessary, readapt the defined strategy. It is essential to highlight that the control of the first year is crucial given that the company must guarantee that the positioning is reached at the expected rate and that the budget is correctly defined and applied in the most efficient way.

		PESSIMISTIC scenario	EXPECTED scenario	OPTIMISTIC scenario
1st Year	Brand Awareness	< 20%	30%	> 40%
	Women Magazines' Market Share	< 5%	5%	>7%
	Followers (target)	< 5%	7%	> 9%
2nd Year	Brand Awareness	<30%	35%	>45%
	Women Magazines' Market Share	<7%	7%	>9%
	Followers (target)	<7%	9%	>11%
3rd Year	Brand Awareness	<35%	40%	>50%
	Women Magazines' Market Share	<9%	9%	>11%
	Followers (target)	<9%	11%	>13%
4th Year	Brand Awareness	<40%	45%	>55%
	Women Magazines' Market Share	<11%	11%	>13%
	Followers (target)	<11%	13%	>15%
5th Year	Brand Awareness	<45%	50%	>60%
	Women Magazines' Market Share	<13%	13%	>15%
	Followers (target)	<13%	15%	>17%

Brand Awareness	- controled through Market Studies
Women Magazines' Market Share	- controled through Market Studies
Followers (target)	- controled through Google Analytics

RISKS AND MITIGATION

The main advantage of this topic is the relevance given to the awareness of potential problems that may occur when BeYou is implemented in the market. The objective is to develop a contingency plan that might be necessary to take if any obstacle for the expected success of the magazine may arise.

Risk	Impact	Likelihood to Occur	Severity
BeYou's printed version may not function as a stimulus for visiting the online website or may demotivate readers into visiting it.	Medium/ High	Low	Develop the printed version as a complement to the online contents – creating contests and activities that must be completed in the online platform, upon registration.

The Target defined does not perceive BeYou PODs as advantageous	Medium	Low	Adjust the advertising message focus: highlighting the needs that BeYou can solve. Social Networks will be the first source used in order to promote discussions and word of mouth
BeYou does not accomplish expected sponsorships	Medium	Medium/ Low	Diversify the range of events and brands to sponsor

CONCLUSION AND RECOMMENDATIONS

This new product will represent a crucial opportunity for Pangea to explore its portfolio among this female young segment that is not being properly served in the Portuguese market. BeYou will stand out from the competition due to its irreverent tone, trendy approach and appropriate online platform. The Portuguese market is ready and receptive to BeYou, since the new online trends and customized service are still a new experience for customers and raise their awareness.

It is important to highlight the importance that establishing appropriate partnerships and sponsorships plays in the first years of this project. The revenue model is not exclusively based on Advertising, but it also will depend on the sponsoring quality of brands that BeYou will be able to associate with. Still on the topic of revenues, it is suggested that another stream of income should be implemented from the second year onwards. BeYou can become client of CrowdProcess company. This is a start-up company that through its process of using computing capacity in users' browsers, monetizes the websites without compromising the users' navigability experience. As a result, the CrowdProcess company would pay for the computing power BeYou provided. The amount that BeYou gains with this service is yet unknown, since it requires a study and analysis before the implementation, and this is the reason why CrowdProcess only integrates the revenue model on a later stage.

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